

Potlatch

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Department of Army
Walla Walla District Corps of Engineers
Attention: Lower Snake River Study
201 North Third Avenue
Walla Walla, Washington 99362-1876

RE: Comments of Potlatch Corporation on the Lower Snake River Study and Draft
Environmental Impact Statement

Potlatch Corporation (Potlatch) appreciates the opportunity to comment upon the U.S. Army Corps of Engineers' (Corps) Lower Snake River Juvenile Salmon Migration Feasibility Study and associated draft Environmental Impact Statement (DEIS).

Potlatch Corporation (Potlatch) is a moderate-sized forest products company with operations in the Pacific Northwest in both Idaho and Oregon. In Idaho, the company owns 675,000 acres of timberland and operates two sawmills, two plywood plants, a particleboard plant, and a large pulp, paper, and paperboard mill. One plywood plant, one sawmill, and the pulp, paper, and paperboard mill are located in the Clearwater River Valley; the sawmill and the pulp, paper, and paperboard mill are located in Lewiston, Idaho. The Clearwater and Snake Rivers are used by the company as a water source, as a place for effluent discharge, and as a major transportation artery for products and raw materials. Given the importance of these water bodies to company operations, Potlatch possesses a vested interest in insuring that federal decisions concerning these areas are based upon a well-reasoned interpretation of available legal, scientific, and economic factors.

The purpose of this letter is to provide the company's comments on certain legal, economic, and water quality issues raised by the Corps' DEIS and associated documents. The DEIS raises other important issues concerning the transportation and power supply impacts of various options. The company addresses these issues in comments provided to the Corps under separate cover.

Comments on Process and Legal Issues

Potlatch supports the federal government's attempts at broadening the discussion of Federal Columbia River Hydropower System (FCRPS) options to include consideration of upland activities that could conserve listed species. The "All In" approach referenced in the DEIS properly attempts to evaluate the relative impact of hatchery, harvest, habitat, and hydropower activities on listed species. This approach recognizes the complexity of issues facing the region, and recognizes that no "silver bullet" exists to insure species recovery.

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1 While Potlatch supports the "All H" concept, the company believes that the federal government has failed to explain how the various ongoing FCRPS decisional processes "fit together" and what legal principles guide the formulation of options under consideration. This failure to clearly articulate how options will be evaluated and decisions made has resulted in substantial confusion and frustration on the part of river users, and has likely prevented the federal government from developing the regional consensus it has sought.

2 A driving force behind the Columbia River issues is the Corps' obligation to consult with NMFS under section 7 of the Endangered Species Act (ESA) for FCRPS operations. See 16 U.S.C. § 1536(a)(2). This consultation requires the National Marine Fisheries Service (NMFS) and U.S. Fish and Wildlife Service (FWS) to determine if FCRPS operations will jeopardize listed species, and if so, to determine if any reasonable and prudent alternatives (RPAs) exist which if implemented, may avoid jeopardy. Agency regulations require RPAs to be economically and technologically feasible, and within the authority of the action agency to implement. See 50 C.F.R. § 402.02 (definition of RPA). This requirement is a key consideration for the DEIS. For example, while dam breaching and removal are considered viable options in the context of the DEIS, it is doubtful whether the Corps possesses the statutory authority to implement an RPA requiring this.

Potlatch believes that existing federal laws, including the National Environmental Policy Act and the ESA, provide a framework that can guide regional decisions on FCRPS issues. Focusing the DEIS and other documents on these statutory and regulatory requirements would provide a clearer decisional framework for the region. Failing to do so invites needless litigation and congressional intervention into this issue.

Comments on Economic Analyses

Through its independent review of the Feasibility Report and DEIS (FR/EIS), Potlatch identified numerous "unresolved issues" that require the Corps' attention prior to publication of final documents. Further, the economic analysis contained in the FR/DEIS suffers because, as discussed above, the relationship of other parallel planning efforts to the Corps' planning processes is not clearly articulated. We briefly summarize the conclusions of our enclosed economic assessment below.

- 3 • The FR/EIS makes an appropriate use of cost-effectiveness in comparing the various plans, however, the finding that dam breaching will be at a cost per fish of up to \$23,000 is seriously underestimated.
- 4 • Transportation effects have been understated because of errors in treatment of infrastructure cost necessary to make alternative modes fully useable. Related to the treatment of infrastructure cost, are a questionable analysis of capacity, congestion, safety, and other externalized costs.

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- 5 | • Recreation makes up the largest benefit from dam breaching but the analysis is clouded with contradictions, errors, and omissions. So significant are the problems that their correction will result in recreation benefits being reduced to a small fraction of what has been claimed.
- 6 | • Passive Use Values (PUV) have been improperly applied in an array of plans and must be excluded from any plan comparison.

Comments on Water Quality

Over the past several years, Potlatch has been involved in a federal water quality permitting process concerning its effluent discharges. During this process, the company has conducted extensive studies of water quality conditions in the Snake River system, and has evaluated federal water quality models used in these permitting processes. Therefore, the company possesses substantial relevant information on this issue that should be considered by the Corps in developing its final EIS. Enclosed for your consideration is a detailed assessment of water quality issues. We briefly summarize the conclusions of our assessment below.

- 7 | • The water quality of Lower Granite Pool currently meets State of Washington water quality standards with the exception of total dissolved gas, temperature, and dissolved oxygen. Dissolved oxygen levels can decrease in late summer under certain conditions. Total dissolved gas concentrations are a function of flow over the dams and are usually due to natural runoff conditions.
- 8 | • The temperatures in the lower Snake River are due to natural conditions that exist throughout the Snake River basin. Historical data show that present day water temperatures are similar to temperatures in the mid-1950s. An analysis of river flow rates and ambient air temperatures show that natural conditions greatly influence temperatures of the Snake River.
- 9 | • Flow augmentation from Dworshak Dam does lower temperatures in Lower Granite Pool by 1 to 2.5 °C; however, it is unclear if there are any additional downstream benefits from the cool water. These releases have changed the natural temperature regime of the Clearwater River, resulting in temperatures typically 10 °C lower than historical conditions. This likely has had a detrimental effect on resident aquatic health and populations in the lower Clearwater River.
- 10 | • The System Improvements with 1.0 MAF Augmentation alternative will likely increase water temperatures in the lower Snake River. Temperature data from the upper and mid Snake River shows warm water temperatures. Thus, this additional water will be the same temperature or even warmer than existing flows in the lower Snake River, resulting in no temperature improvements.

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- 11 • The Natural River Drawdown alternative will have significant and serious effects on water quality and fish populations due to the large quantities of sediments that will be re-introduced into the water column. The quantity is calculated to be so great that lethal and sublethal effects are expected for at least 25% of the year in the lower Snake River. Such effects will also occur in the Columbia River below the mouth of the Snake River. The Dam Breaching alternative will likewise result in violations of the State of Washington water quality standards for turbidity and sediment.
- 12 • It is not readily apparent if the Natural River Drawdown alternative will decrease water temperatures in the lower Snake River. The U.S. Environmental Protection Agency's model of the lower Snake River shows that dam removal will decrease water temperatures, but the model is biased in the direction of higher predicted temperatures. Temperature data above and below the four lower Snake River dams does not show a definitive trend of the dams raising water temperatures. This finding is similar to the results of two other models that were used to evaluate the effects of the dams on water temperature.
- 13 • The Natural River Drawdown alternative will have the greatest detrimental impact on water quality as compared to the other alternatives. Lethal and sublethal water quality conditions (from suspended solids) will result from the implementation of this alternative.

Summary

14 Existing federal laws and regulations provide clear guidance to the federal government concerning the range of FCRPS alternatives that warrant consideration. Foremost of these laws is the ESA which requires that if the Services find FCRPS are likely to jeopardize listed species, they shall identify RPAs that are economically and technologically feasible, and within the authority of the action agencies to implement. Potlatch believes that focusing regional decisional processes on these regulatory requirements will permit the region to focus on the task at hand – to devise conservation strategies that reflect a reasoned consideration of legal, scientific, and economic issues. Failing to do so invites judicial and congressional intervention into regional issues, thereby eliminating any hope of reaching regional consensus on these matters.

15 In reviewing the economic analyses contained in the FR/DEIS, Potlatch has identified a number of inconsistencies that require the Corps' attention. However, we do feel these analyses put many of the basic economic issues relating to breaching the Lower Snake River dams in front of the public for consideration. Further, while we question the magnitude and interpretation of some figures and methods used in these analyses, we have found no deficiencies that would tend to significantly reverse the implied conclusion that breaching the dams would result in huge annual economic losses and contribute little if anything to prospects for species survival.

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Potlatch has analyzed the DEIS and related documents and finds that existing analyses fail to adequately consider impacts on water quality associated with various options. The final EIS should be supplemented to include discussion of the relationship between water quality and species viability. While the DEIS contains a lengthy discussion of the effects of nitrogen supersaturation, it contains only a limited discussion of temperature and water quality effects on listed species. The final EIS must provide a clear and defensible analysis of water quality issues, and must carefully evaluate the potential impacts of the various options under consideration.

Sincerely,



Alan L. Prouty, Manager
Environmental Engineering Manager
Potlatch Corporation

Enclosures